
Overview of Medicaid In Virginia

Presentation Outline

■ *Overview of Virginia Medicaid*

- ☐ Medicaid-Financed Healthcare Services
- ☐ Medicaid Enrollment Trends
- ☐ Medicaid Expenditure Trends
- ☐ Children's Health Programs
- ☐ Medicaid Reform

Background

- Largest health care financing program for indigent persons in Virginia
- In FY 2004, Medicaid provided reimbursement for 720,146 recipients at a cost of \$3.9 billion
- Program costs are shared by the state and federal government
 - federal share is higher in states with lower per capita income
- Virginia's share was 49.2% in FY 2003, 49.9% in FY 2004, and 50% in FY 2005.

Medicaid Requirements

- A State's Participation in Medicaid is Voluntary
- Each state submits a state plan to the Centers for Medicare and Medicaid Services (CMS) for approval

Program Requirements

- Statewide Services
- Comparability of Services
- Freedom of Choice
- Adequate Amount, Duration, and Scope of Services
- Medicaid Waivers allow a state to “waive” statewide services, comparability or freedom of choice to target a specific population

Program Organized Around Several Groups

- Medicaid was established for the purpose of providing medical care for certain groups of low-income individuals
 - Aged, blind or disabled
 - Members of families with children
 - Pregnant women

Program Eligibility Linked To Two Cash Assistance Programs

- Originally, eligibility was linked to “categorical” relationship to two cash assistance programs:
 - Aid to Families with Dependent Children (AFDC)
 - Supplemental Security Income (SSI) for low-income aged, blind, and disabled persons
- Federal mandates expanded eligibility to selected low-income groups:
 - indigent pregnant women
 - children under age 19
 - certain low-income Medicare beneficiaries

Program Eligibility Thresholds

- SSI Income Level as of January 1, 2005:
 - \$579 per month for one person
 - \$869 per month for two persons

- 1996 federal welfare reform “de-linked” Medicaid eligibility from cash assistance under AFDC
 - Froze Medicaid eligibility based on AFDC criteria in place on July 16, 1996
 - Income eligibility for these Medicaid recipients is equal to about 18% to 31% of the FPL depending on city/county of residence

Optional Eligible Groups

- Medically needy persons whose income exceeds established limits
 - Monthly income of \$352, \$388, or \$478 for a family of 3 depending on city/county of residence
 - Medical expenses are deducted from income to determine eligibility (“spend down”)
- Persons in institutions or Medicaid Home and Community Based waivers (e.g., nursing homes, intermediate care facilities for the mentally retarded; Elderly and Disabled Waiver) with incomes up to 300 percent of SSI payment level (\$1,737/mo.)
- Certain aged, blind, or disabled adults with incomes up to 80 percent of the FPL (\$638/month or \$7,656/year)

Optional Eligible Groups

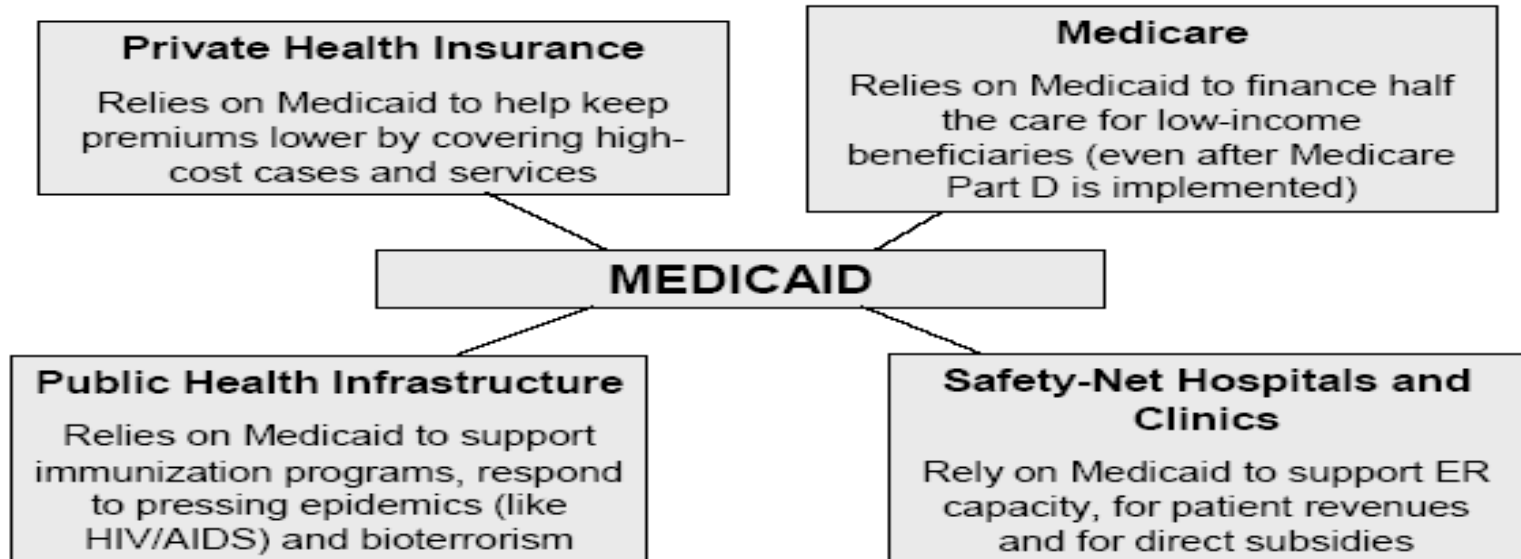
(continued)

- Terminally ill and receiving hospice care
- Children under 21 in foster homes, private institutions, in subsidized adoptions
- Aged, blind, or disabled persons in group living arrangements who receive an Auxiliary Grant payment
- Women screened/diagnosed with breast cancer or cervical cancer under CDC early detection program and who need treatment

Medicaid's Role

Figure 1

Medicaid enables other parts of the healthcare system to work



K A I S E R C O M M I S S I O N O N
Medicaid and the Uninsured

Presentation Outline

- ☐ Overview of Virginia Medicaid
- ☒ ***Medicaid-Financed Healthcare Services***
- ☐ Medicaid Enrollment Trends
- ☐ Medicaid Expenditure Trends
- ☐ Children's Health Programs
- ☐ Medicaid Reform

Mandatory Medicaid Services

- Hospital Inpatient, Outpatient, & Emergency Services
- Nursing Facility Services
- Physician Services
- Medicare Premiums, copays and deductibles (Part A and Part B for Categorically Needy)
- Certified Pediatric Nurse & Family Nurse Practitioner Services (Categorically Needy)
- Certain Home Health Services (nurse, aide, supplies and treatment services)
- Laboratory & X-ray Services
- Early & Periodic Screening, Diagnostic & Treatment (EPSDT) Services
- Nurse-Midwife Services
- Rural Health Clinics
- Federally Qualified Health Center Clinic Services
- Family Planning Services & Supplies
- Transportation

Optional Services Covered in Virginia

- Prescribed Drugs
- Mental Health & Mental Retardation Services
- Home & Community-Based Care Waiver Services
- Skilled Nursing Facility Care for Persons under age 21
- Dental Services for Persons under age 21
- Physical Therapy & Related Services
- Clinical Psychologist Services
- Podiatrist Services
- Optometrist Services
- Services provided by Certified Pediatric Nurse & Family Nurse Practitioner
- Home Health Services (PT, OT, and Speech Therapy)
- Case Management Services
- Prosthetic Devices
- Other Clinic Services
- Hospice Services
- Medicare Premiums/copays/deductibles (Part B for Medically Needy)

Waivers Allow States to Be Exempt from Certain Program Rules

Virginia's Waivers:

- AIDS Waiver
- Elderly or Disabled with Consumer-Direction Waiver (EDCD)
- Individual and Family Developmental Disabilities Support Waiver (DD Waiver).
- Mental Retardation Waiver (MR)
- Technology Assisted Waiver (Tech)
- Family Planning Waiver
- Day Support Waiver
- Alzheimer's Waiver (Implementation Stage)

AIDS Waiver Services

- Case management
- Nutritional supplements
- Private duty nursing
- Personal care (consumer or agency directed)
- Respite care
- 274 people were served in FY 2004.

Elderly or Disabled with Consumer-Direction Waiver (EDCD)

- Personal care (agency- and consumer-directed)
- Skilled respite (agency-directed)
- Non-skilled respite (agency- and consumer-directed)
- Adult Day Health Care (ADHC)
- Personal Care
- Personal Emergency Response Systems (PERS).

Individual & Family Developmental Disabilities Support Waiver (DD Waiver)

- Case management (State Plan)
- In– Home Residential Support Services
- Day support
- Pre-vocational Services
- Supported employment
- Personal assistance
- Respite
- Companion Services
- Assistive Technology
- Consumer-directed services
- Environmental modifications
- Skilled nursing services
- Therapeutic consultation
- Crisis stabilization & intervention
- Personal emergency response systems (PERS)
- Family and Caregiver Support
- 200 persons enrolled, 105 slots recently added for a total of 428 slots

Mental Retardation Waiver (MR)

- Case management (State Plan)
- In– Home Residential Support Services
- Day support
- Supported employment
- Prevocational services
- Personal assistance
- Respite
- Companion Services
- Congregate Residential
- Consumer-directed services
- Environmental modifications
- Skilled nursing services
- Therapeutic consultation
- Crisis stabilization & intervention
- Personal emergency response systems (PERS)
- Assistive Technology
- 5,622 people were served during FY 2004.

Technology Assisted Waiver (Tech)

- Private duty nursing
- Respite care
- Assistive Technology
- Personal care
- Environmental modification

Family Planning Waiver Services

- Annual gynecological exams
- Family planning education and counseling;
- Over-the-counter birth control supplies and prescription birth control supplies approved by the Federal Food and Drug Administration (FDA);
- Sterilizations (excluding hysterectomies) and the required hospitalization and;
- Testing for sexually transmitted diseases (STDs) during the first family planning visit

Day Support Waiver

- Day Support
- Pre-Vocational Services
- 300 slots approved July 1, 2005
- Persons on MR Waiver waiting list are eligible

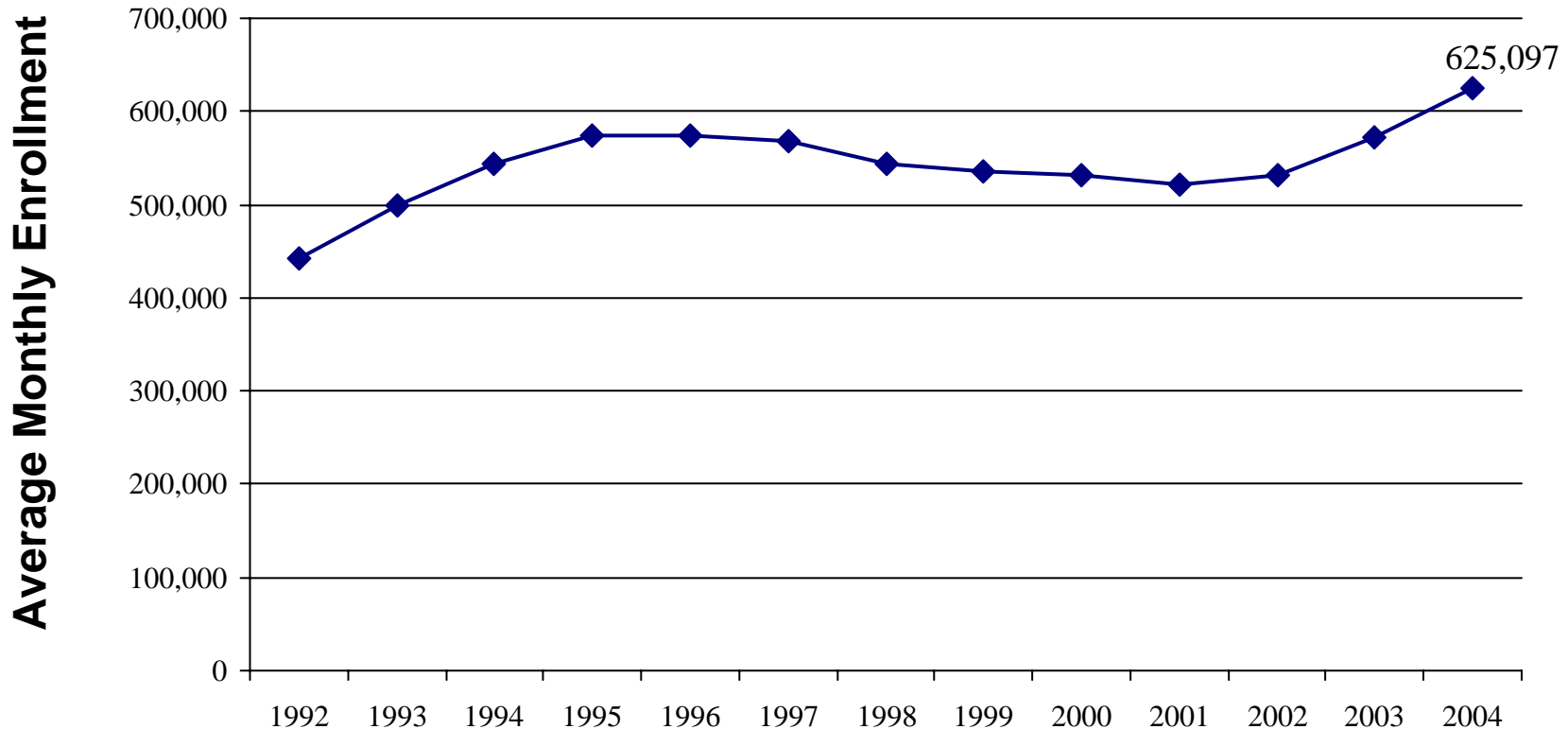
Alzheimer's Waiver (Implementation Stage)

- Assisted Living Per Diem
- Will have 200 slots
- Implementation Winter 2006

Presentation Outline

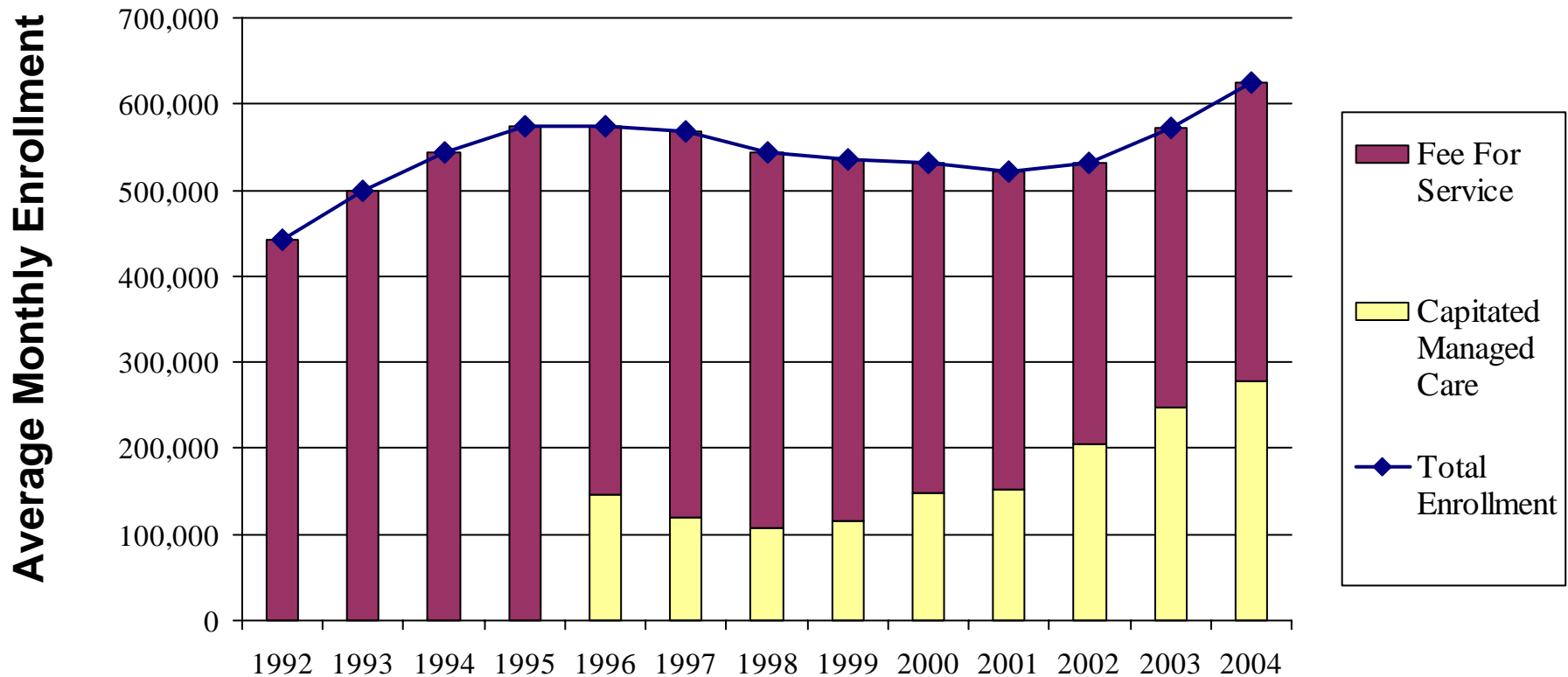
- ☐ Overview of Virginia Medicaid
- ☐ Medicaid-Financed Healthcare Services
- ☒ ***Medicaid Enrollment Trends***
- ☐ Medicaid Expenditure Trends
- ☐ Children's Health Programs
- ☐ Medicaid Reform

Enrollment Levels Have Increased In Recent Years



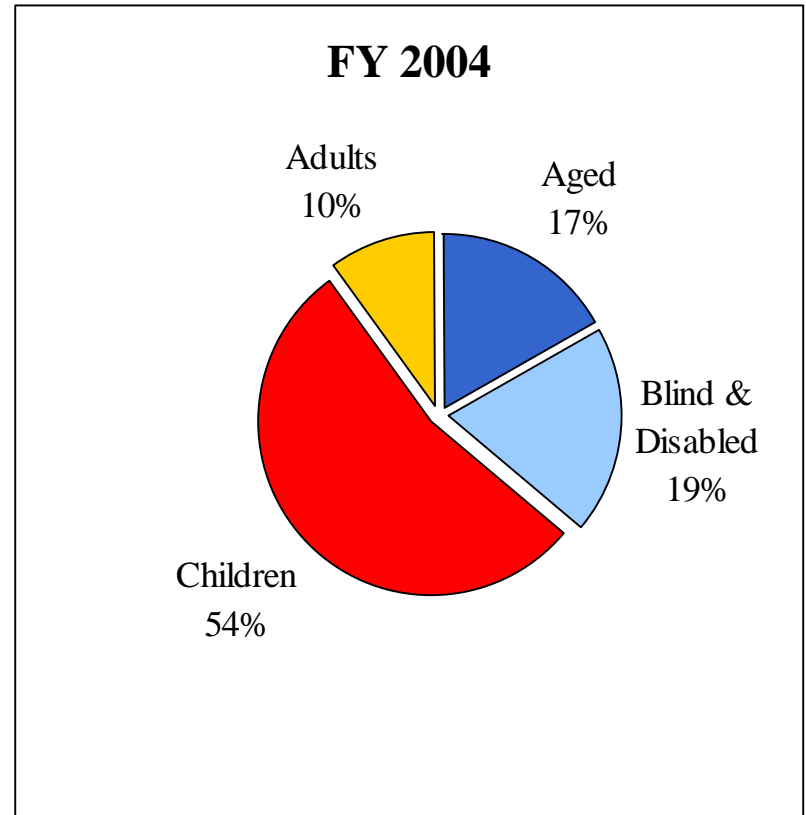
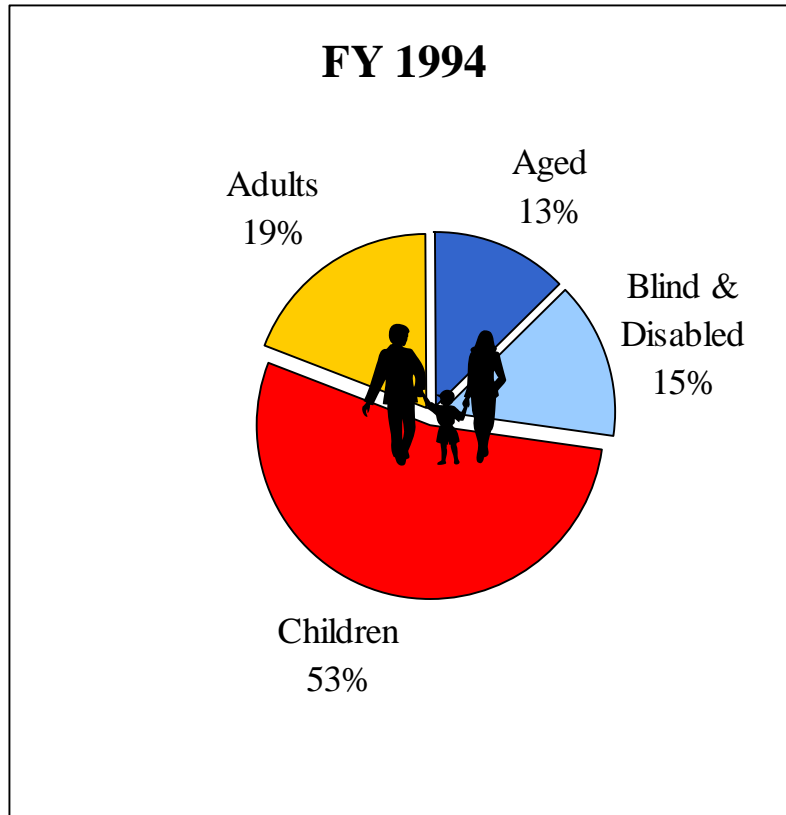
Notes: Average monthly enrollment in the Virginia Medicaid Program

Managed Care Is A Growing Component Of Medicaid In Virginia



Notes: Average monthly enrollment in the Virginia Medicaid Program
Capitated Care consists of the Options and Medallion II programs

Most Program Recipients Are Children

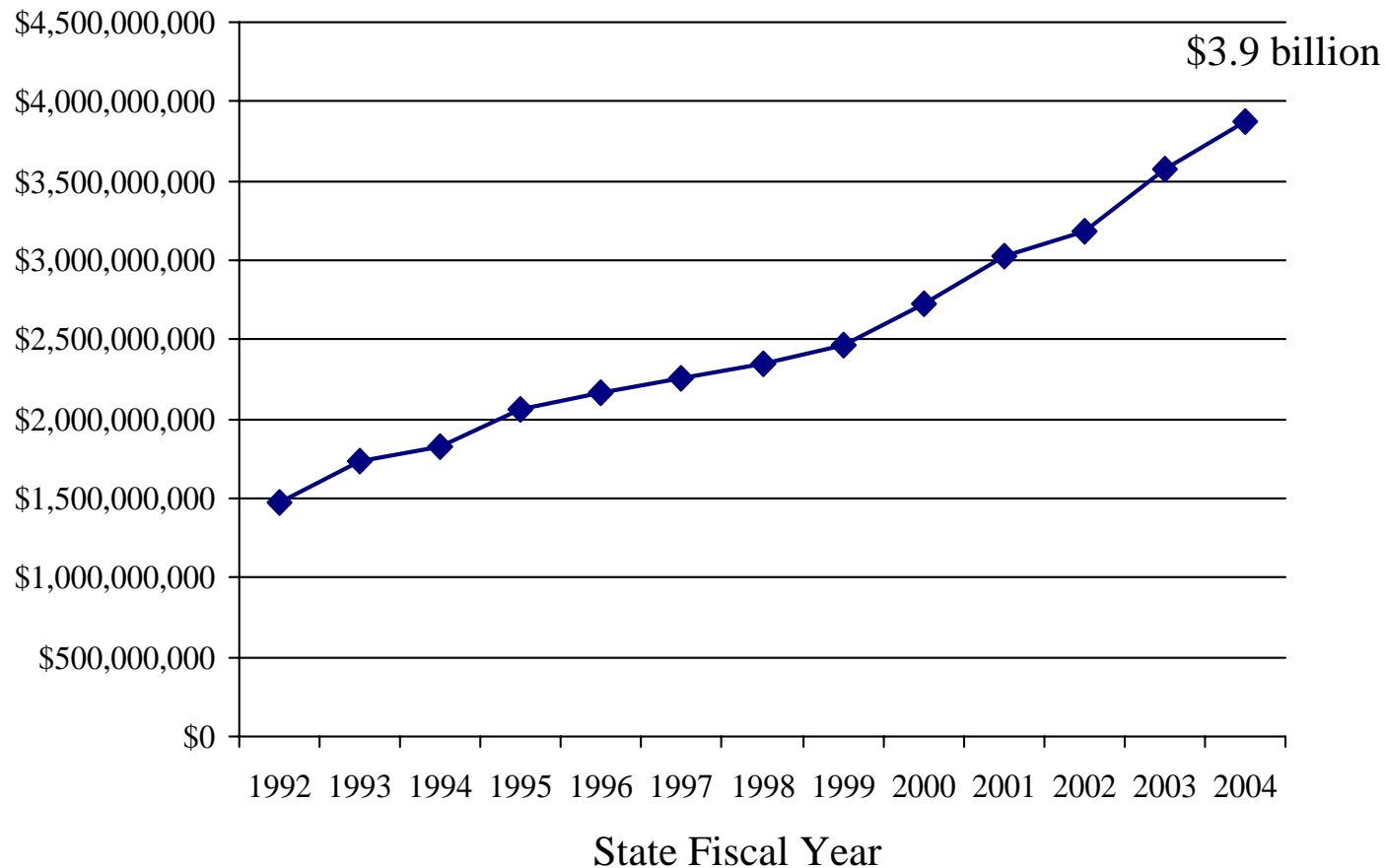


Notes: Annual unduplicated enrollment in the Virginia Medicaid program

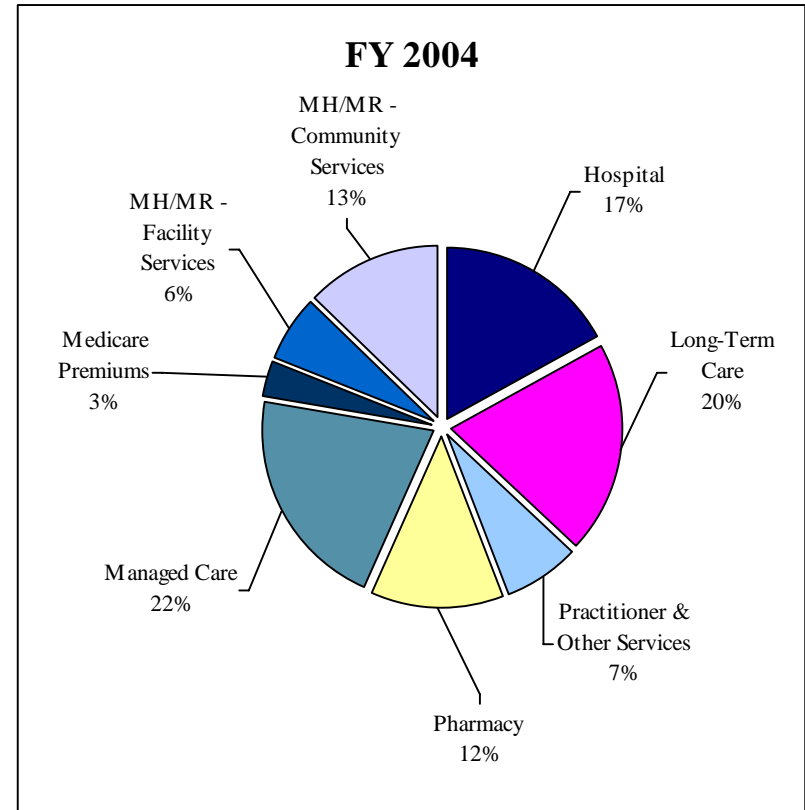
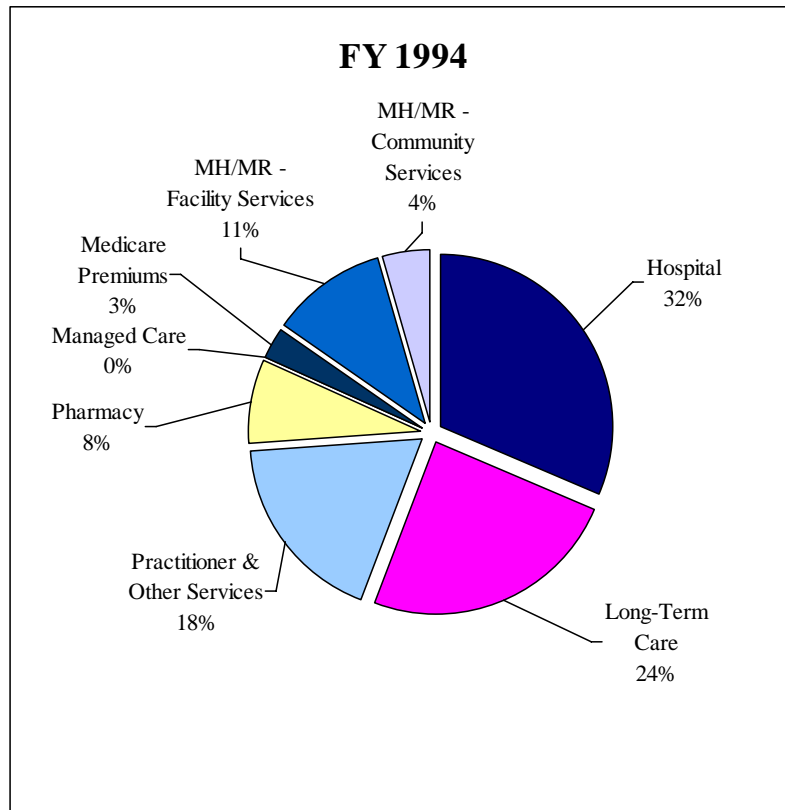
Presentation Outline

- ☐ Overview of Virginia Medicaid
- ☐ Medicaid-Financed Healthcare Services
- ☐ Medicaid Enrollment Trends
- ☒ ***Medicaid Expenditure Trends***
- ☐ Children's Health Programs
- ☐ Medicaid Reform

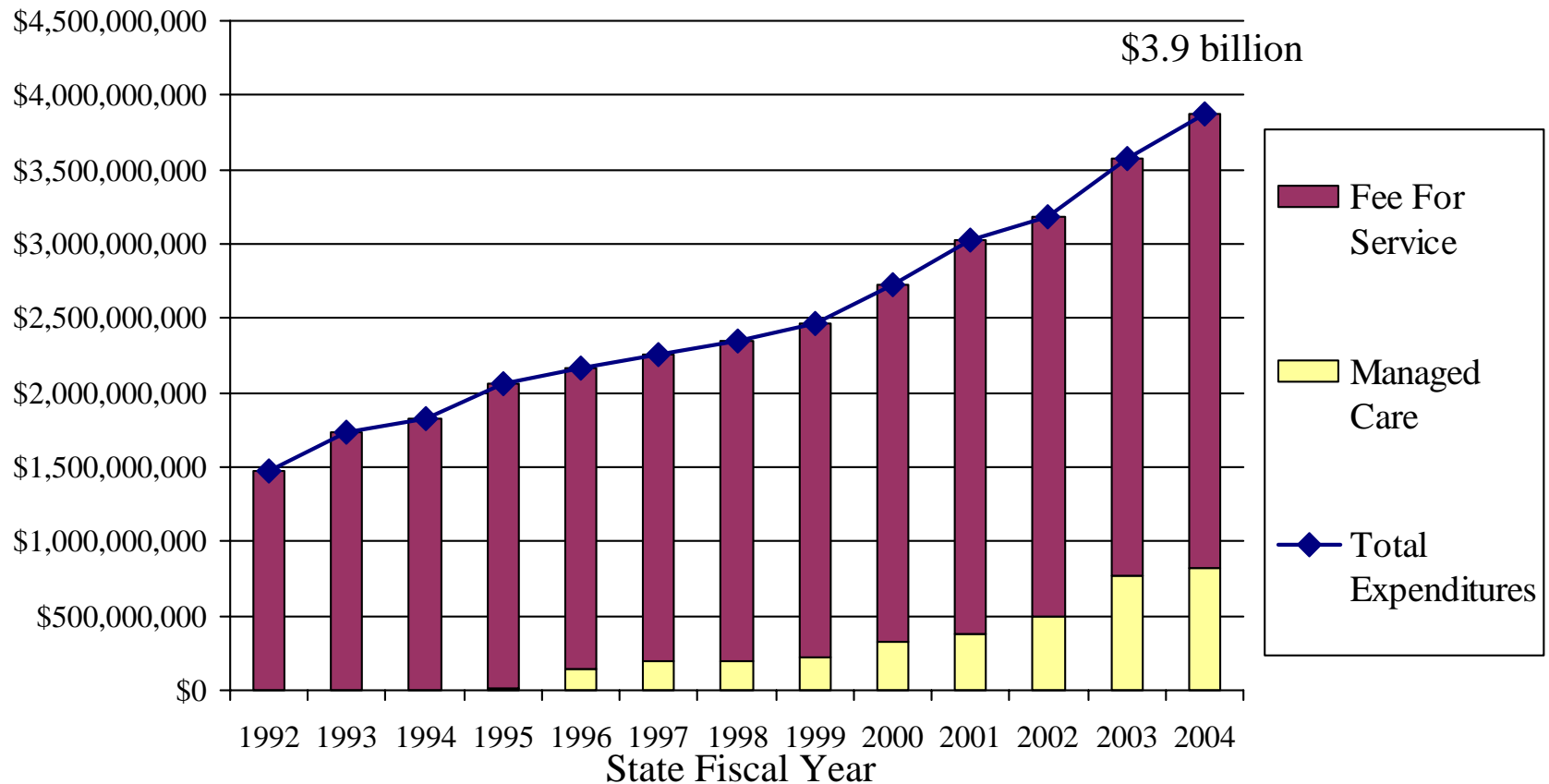
Since 1992 Program Cost Has Averaged Double Digit Growth



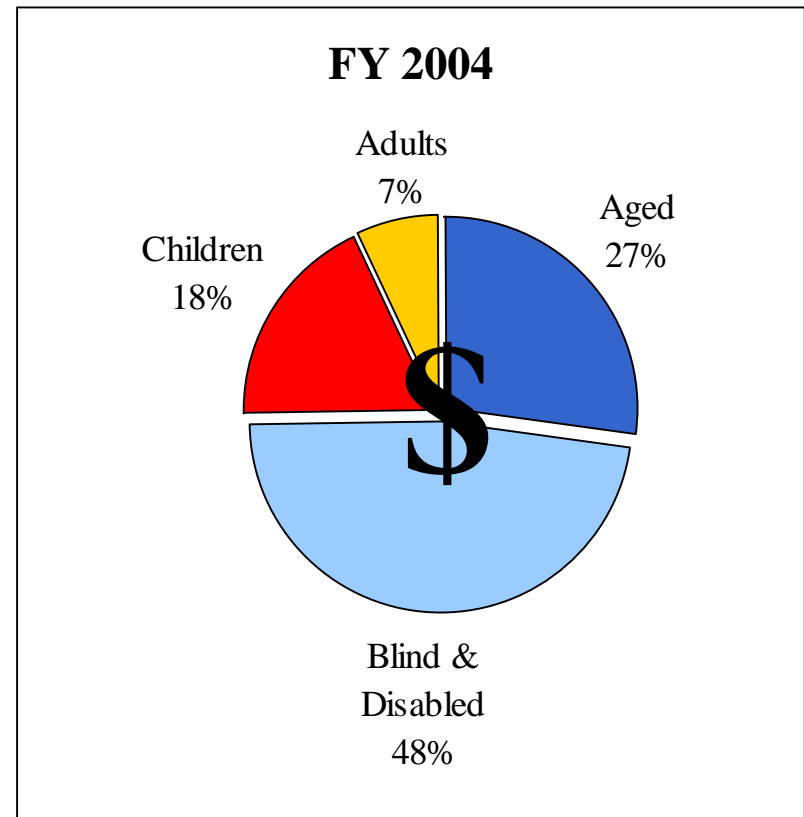
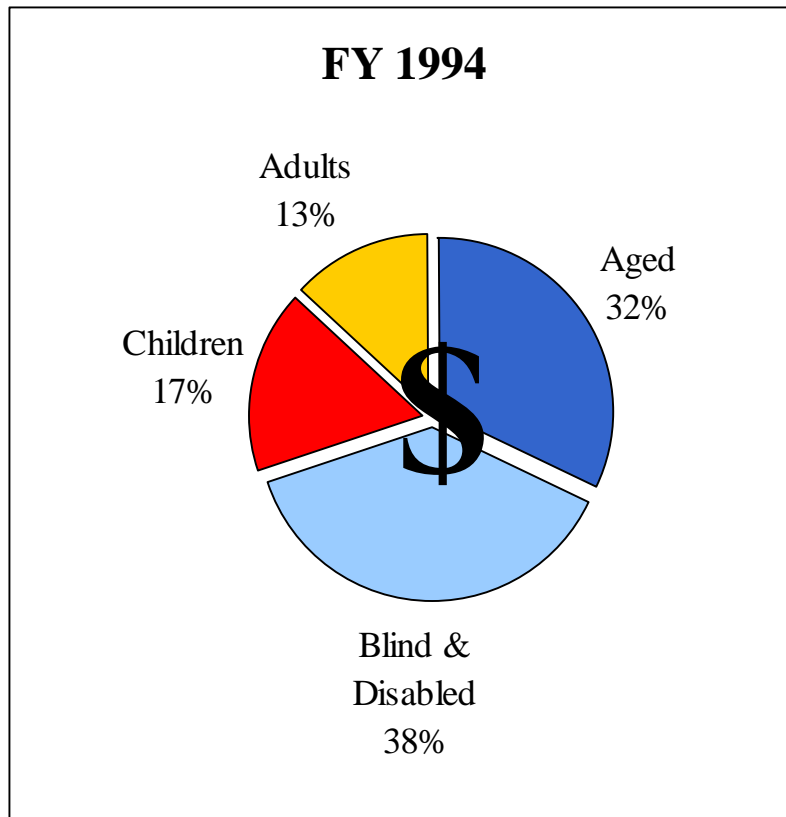
Growth In A Spending By Category Has Been Greatest For Managed Care



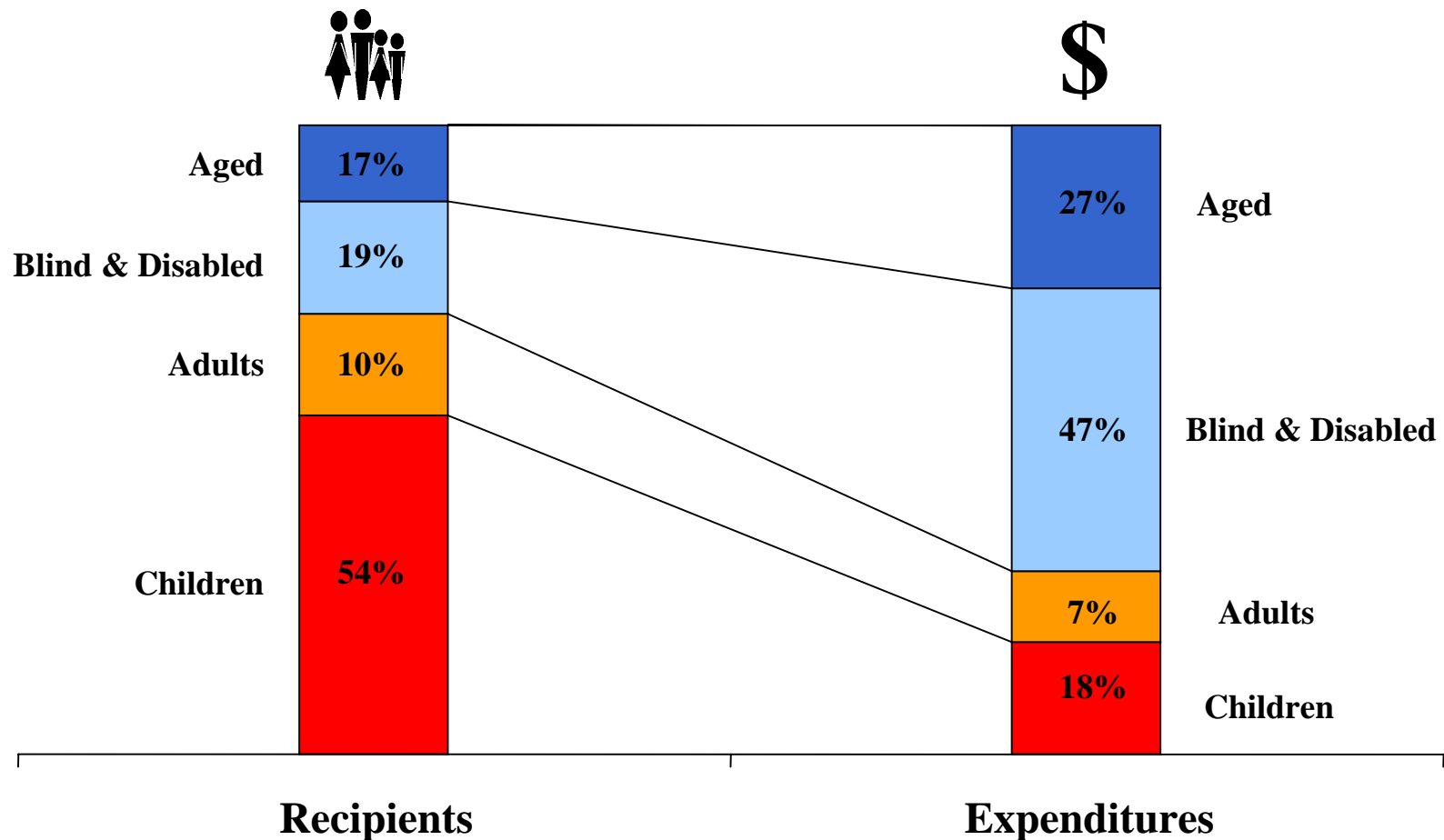
...Despite This Most Medicaid Expenditures Are Made For Recipients Through Fee-For-Service



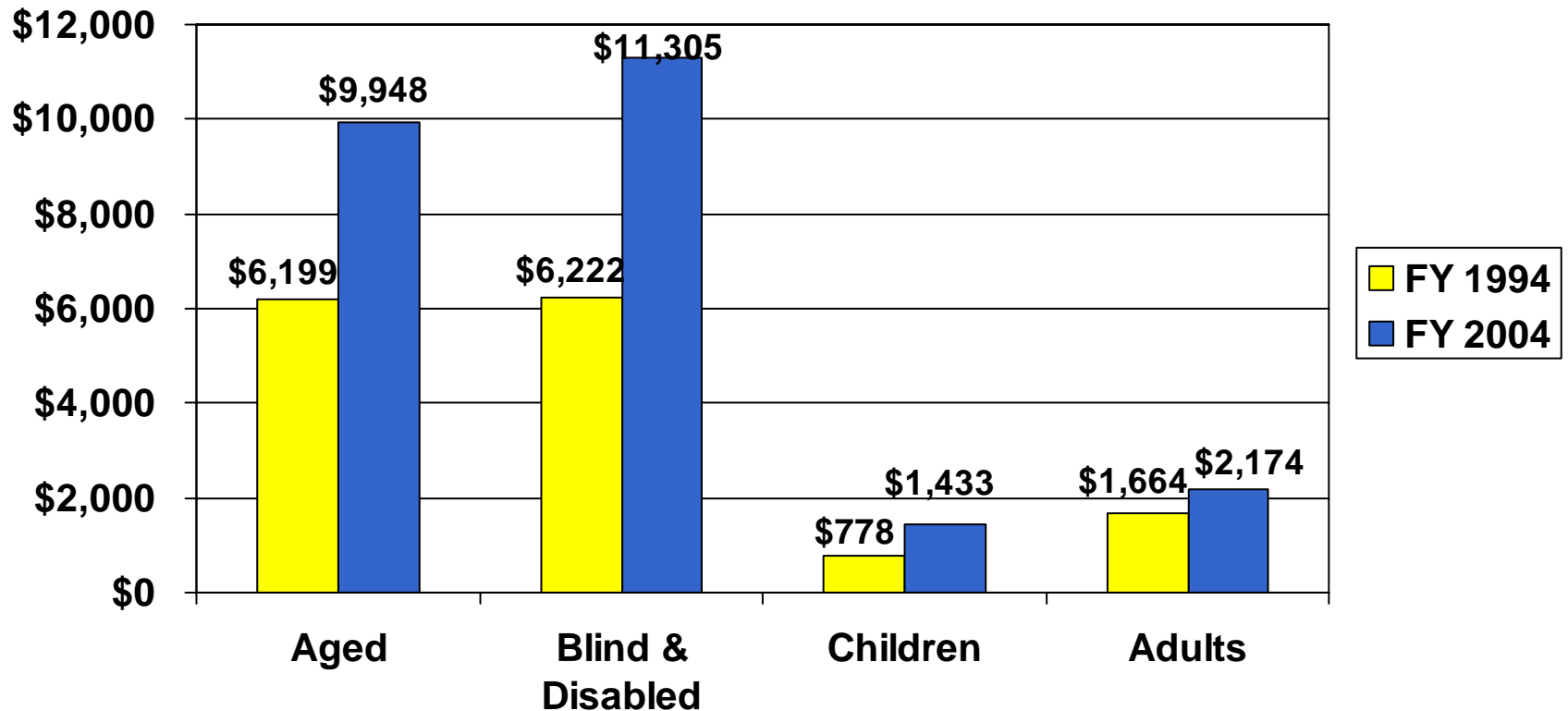
Persons Who Are Blind and Disabled Account For Nearly Half Of All Medicaid Spending



...Despite The Fact That Only 1 In 5 Recipients Are Blind Or Disabled



Cost Of Serving The Blind and Disabled Is Eight Times Greater Than The Cost Of Care For Children

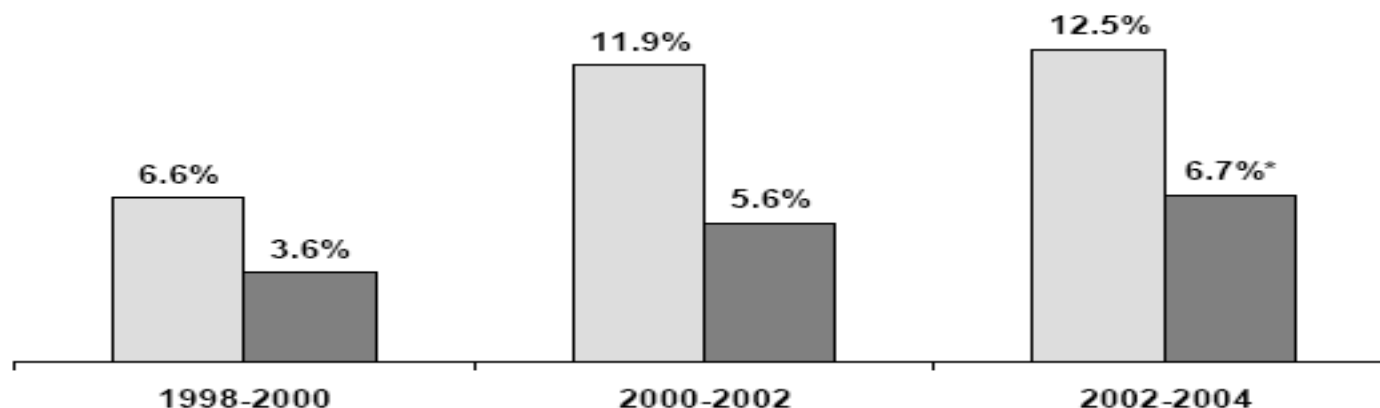


Medicaid Growth Is Half The Rate Of Growth In Private Insurance

Figure 3

Medicaid per capita costs have increased slower rates than private health insurance premiums from 1998 to 2004

□ Health Insurance Premiums ■ Medicaid Per Capita Costs



Note: Data on premium increases reflect a two-year average of the annual increase in the cost of health insurance premiums for a family of four.

*2002-2004 Medicaid increase is based on CBO estimates.

Source: KFF/HRET Survey of Employer-Sponsored Health Benefits, 2004 and KCMU and Urban Institute analysis of HCFA/CMS-64 and MSIS data (1998-2004) and CBO Medicaid baseline (2002-2004), 2004.

**K A I S E R C O M M I S S I O N O N
Medicaid and the Uninsured**

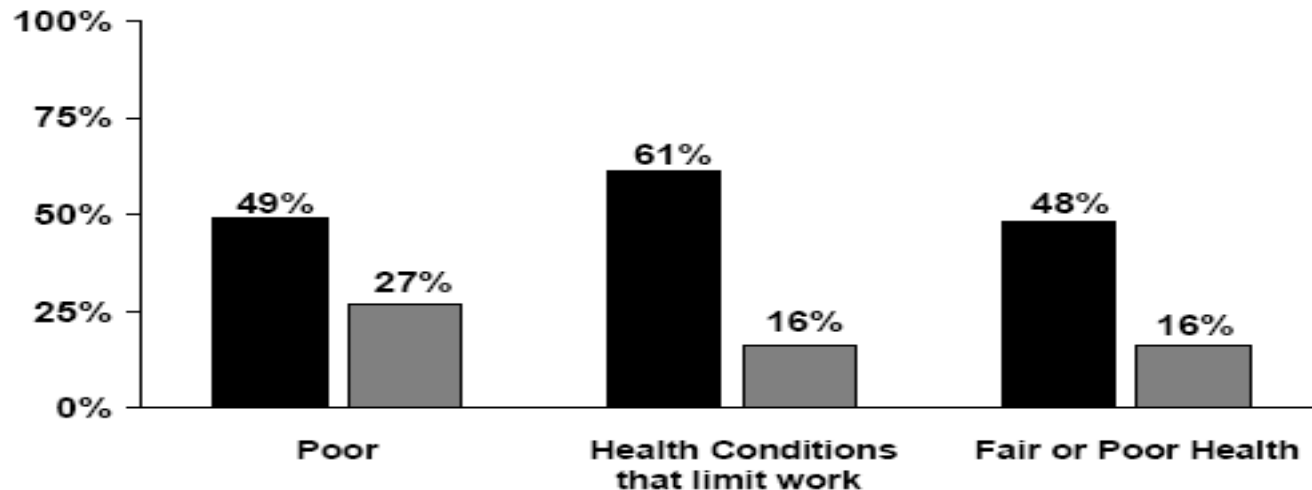
Without Medicaid, Many More Low-income Individuals Would Be Uninsured

Figure 2

Medicaid Enrollees are Poorer and Sicker Than The Low-Income Privately Insured Population

Percent of Enrolled Adults:

■ Medicaid ■ Low-Income and Privately Insured



*

SOURCE: Coughlin et. al, 2004 based on a 1999 and 2002 NSAF analysis for KCMU.

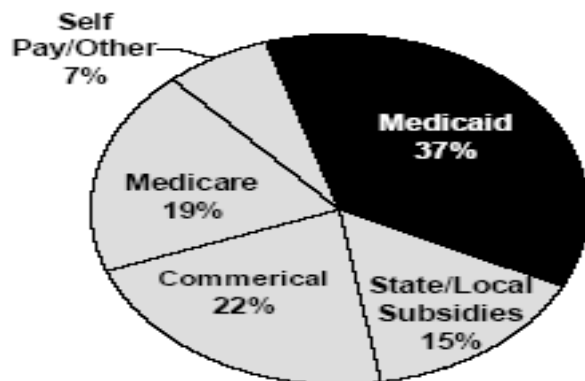
K A I S E R C O M M I S S I O N O N
Medicaid and the Uninsured

Many Providers Rely Heavily on Medicaid Revenue

Figure 6

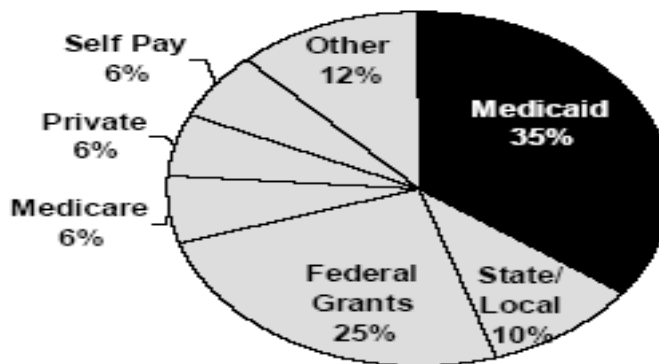
Safety-net providers rely on Medicaid funding

Public Hospital Net Revenues by Payer, 2002



Total = \$23 billion

Health Center Revenues by Payer, 2002



Total = \$5.21 billion

SOURCE: National Association of Public Hospitals and Health Systems Annual Survey, 2002, Center for Health Services Research and Policy, 2002 UDS data

K A I S E R C O M M I S S I O N O N
Medicaid and the Uninsured

How Does Virginia Medicaid Compare With Other States?

<u>Measure</u>	<u>Rank</u>
■ Total Population	12 th
■ Per Capita Income	15 th
■ Number of Medicaid Recipients	22 nd
■ Number of Medicaid Recipients as % of Population	47 th
■ Expenditure Per Medicaid Recipient	28 th
■ Medicaid Expenditure Per Capita	49 th

Sources: Urban Institute estimates based on FFY 2000 CMS MISIS data.
U.S. Census Bureau Census 2000 PHC-T-2.

Presentation Outline

- ☐ Overview of Virginia Medicaid
- ☐ Medicaid-Financed Healthcare Services
- ☐ Medicaid Enrollment Trends
- ☐ Medicaid Expenditure Trends
- ☒ ***Children's Health Programs***
- ☐ Medicaid Reform

Children's Health Program In Virginia Has Two Components



Medicaid *name changed for children's Medicaid to **FAMIS Plus***
(Title XIX)

SCHIP State Children's Health Insurance Program (Title XXI)

Two components of Virginia's SCHIP Program:

FAMIS *Family Access to Medical Insurance Security*
(separate child health insurance program)

SCHIP Medicaid Expansion (created September 2002 utilizing Title XXI funds to cover children over age 6 in Medicaid at same income level as those under 6)

Total children covered as of April 1, 2005 = 409,996

FAMIS & FAMIS Plus Are Key Components Of Children's Health Coverage



■ FAMIS Plus (Medicaid)

- Provides full Medicaid benefits including EPSDT
- Children are eligible up to 133% FPL
- Funding is 49% state / 51% federal

■ FAMIS

- Provides a benefit package based on state-employee health plan
- \$2 or \$5 copayments for services / no copayments for preventive care
- Children are eligible up to 200% FPL if they are uninsured
- Funding is 35% state / 65% federal

What services does FAMIS cover?

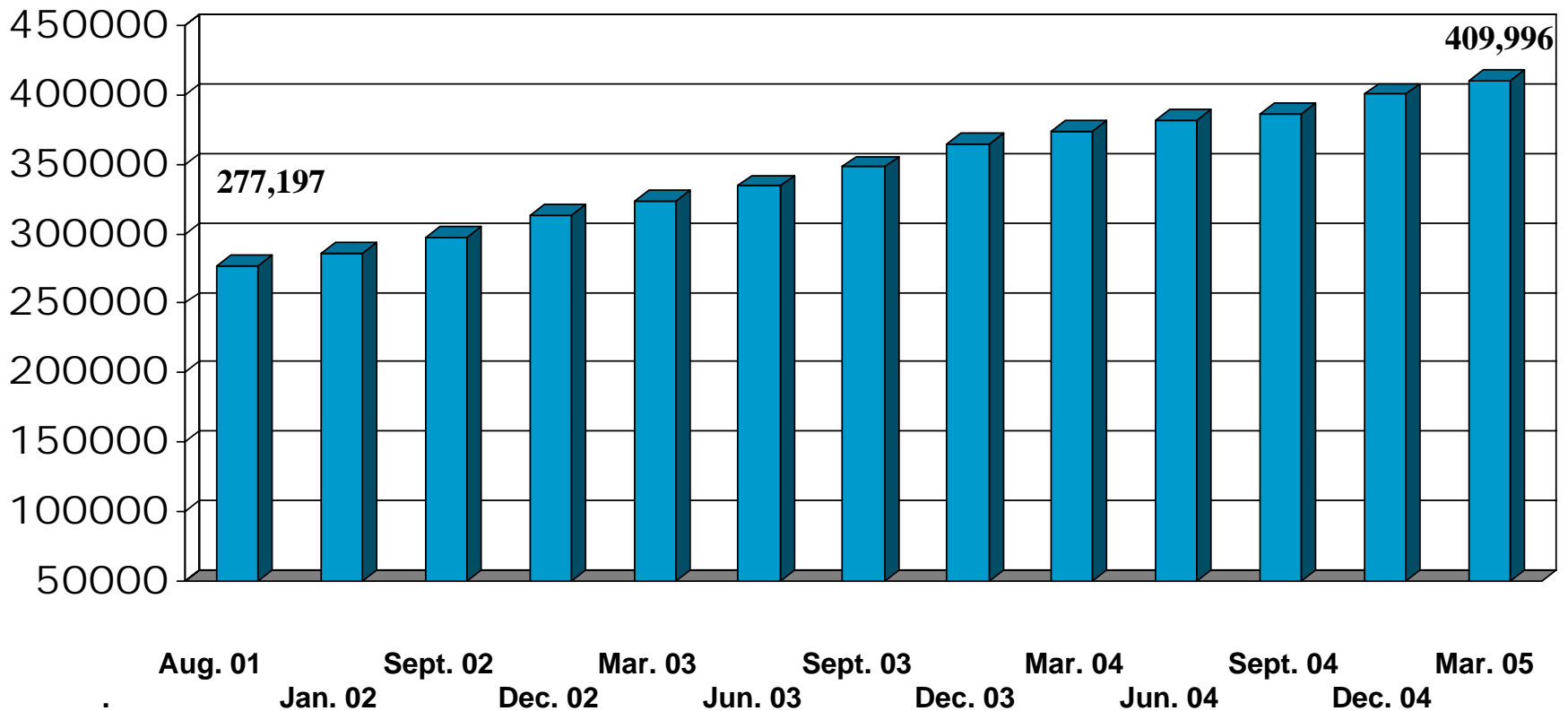
FAMIS Provides comprehensive health care benefits:

- **Inpatient and outpatient hospital care**
- **Physician services (both surgical and clinical)**
- **Well-Baby check ups**
- **Prescription drugs**
- **Dental care**
- **Vaccinations**
- **Vision, hearing and speech/language services**

Also...

- **Substance abuse services**
- **Laboratory and x-ray**
- **Home health services**
- **Rehabilitation, occupational and physical therapy**
- **Mental health services**
- **Medical equipment and supplies**

Virginia Has Made Considerable Progress In Covering Children



Enrollment Information

To apply, call toll-free **1-866-87FAMIS**

- **Monday-Friday** **8 am - 8 pm**
- **Saturday** **9 am - 12 pm**

- **TDD users can call **1-888-221-1590****
8 am - 8 pm Monday - Friday
9 am - 12 pm Saturday

- **A FAMIS specialist will determine eligibility based on the applicant's income, fill out the application, and answer eligibility questions.**

- **Translation services are available.**

Presentation Outline

- ☐ Overview of Virginia Medicaid
- ☐ Medicaid-Financed Healthcare Services
- ☐ Medicaid Enrollment Trends
- ☐ Medicaid Expenditure Trends
- ☐ Children's Health Programs
- ☒ ***Medicaid Reform***

President's Proposed Budget

- The administration's FY 2006 budget proposes to reduce federal mandatory spending by \$137 billion over 10 years
- One of the major areas targeted for savings is the Medicaid program, which would be reduced by \$45 billion over the next decade
- Major areas for savings include:
 - capped Medicaid administrative costs
 - restrictions on Intergovernmental Transfers
 - reductions in provider taxes
 - limitations on payments to government providers
 - restrictions and reductions in targeted case management
 - changes to the definition of rehabilitation services